

June 11, 2008

Obey SUPPORTS EXTENSION OF UNEMPLOYMENT BENEFITS

Calls On President To End Opposition To Needed Relief For Workers Hit By Economic Downturn □□

WASHINGTON, D.C. - Calling on the President and his allies in Congress to “end their opposition to this much needed relief,” Seventh District Congressman Dave Obey (D-WI) voted today to extend unemployment benefits for the workers who have been hardest hit by the sagging economy.

“We want to give an additional 13 weeks of unemployment benefits to workers who've lost their jobs through no fault of their own - their plant closed or their employer went out of business because of deepening economic troubles,” Obey said. “That extension will not only help working families maintain income stability in this challenging job market, it will also provide an immediate stimulus for the whole economy.”

The President has been opposed to adding an extension of unemployment benefits to the latest supplemental funding bill and has also threatened to veto any free standing bill that would do the same thing. To try to determine whether or not the House has the votes to override a Presidential veto, the House Leadership brought the Emergency Extended Unemployment Compensation Act to the Floor today under a process that requires a two-thirds majority (the same number required for a veto override) to pass. House Republicans defeated the bill with only 49 voting for it and 144 against, which fell 3 votes short of the number of Republican votes needed to pass the measure.

“I'm amazed that at a time when the economy is in such turmoil, nearly two-thirds of the House Republicans would oppose this small life line to the millions struggling to find work,” Obey added.

Relief to America's Workers, Effective Stimulus for the Economy

- If passed, H.R. 5749, the Emergency Extended Unemployment Compensation Act, would immediately provide up to 13 weeks of extended unemployment benefits in every state to workers exhausting the 26 weeks of regular unemployment benefits.
- The extended benefits would be available through March 2009 and would help 3.8 million Americans. [Congressional Budget Office]
- Federal unemployment trust funds, which have more than enough reserves to cover the cost, would finance the extended benefits.
- Extending these benefits is one of the most cost-effective and fast-acting ways to stimulate the economy because the money is spent quickly, according to the Congressional Budget Office. Every \$1 spent on unemployment benefits generates \$1.64 in new economic demand. [Mark Zandi, chief economist of Moody's Economy.com, 1/22/08]

Need for Immediate Action is Real

- Last month the unemployment rate surged to 5.5 percent from 5.0 percent - the biggest one-month jump in more than two decades (since February 1986) and climbing to the highest level in nearly four years (October 2004).
- For each of the last five months the U.S. economy has lost jobs - 324,000 in all.
- There are 8.5 million Americans looking for work today - nearly two million more than last year at this time.

- Nearly one in five jobless workers (1.6 million) is considered long-term unemployed (jobless for more than 26 weeks).
- The number of long-term unemployed Americans is higher now than in 2002, the last time Congress extended unemployment benefits.

#